



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 10, 2013

Nancy Smith
N & J Associates
16578 Oakmoor Place
Parker, Colorado 80134

Subject: Permit to Commence Small Mining Operations, N & J Associates LLC, Golden Dragon Mine, S/047/0113, Uintah County, Utah

Dear Ms. Smith:

The Division of Oil, Gas and Mining (Division) finds your notice of intention (NOI) complete and approves the reclamation surety for the Golden Dragon mine. You are now permitted to conduct small mining operations on three acres as outlined in the NOI, provided you have approval from the School and Institutional Trust Lands Administration (SITLA). The approval or acceptance of a complete NOI does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations.

Please keep in mind the following regulatory requirements.

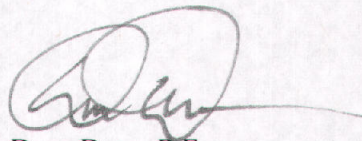
- The Division must be notified no later than 30 days after beginning mining operations.
- Mining disturbance is only allowed in the area identified in the NOI and reclamation contract.
- Stockpiling topsoil material prior to beginning activities will help ensure successful revegetation. Even the first few inches of undeveloped material are worth saving to aid in later revegetation efforts, and future regulatory surety release.
- If you encounter any archaeological or historical items, you are asked to notify this office and the Division of State History.
- Annual permit fees and reports are due January 31st of each year.
- The reclamation surety will be reviewed every 3 years.
- The Division requests that the disturbed area boundary (including access/haul roads) be marked with metal T-posts to identify the area permitted for mining.

The Division's web page at www.ogm.utah.gov/minerals has a link to the rules under which you are expected to operate and to other information to assist you in complying with program requirements. Thank you for your cooperation. In reply, please refer to file number S/047/0113.

Page 2 of 2
N&J Associates
S/047/0113
July 10, 2013

Please contact April Abate at 801-538-5214 or Paul Baker at 801-538-5261 if you have questions or concerns regarding this approval.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Dana Dean', with a long horizontal flourish extending to the right.

Dana Dean, P.E.
Associate Director of Mining

DD: AA: eb
Attachment: Approved SMO Notice
Enclosure: Copy of RC & surety forms
cc: Will Stokes, SITLA w/Encl
P:\GROUPS\MINERALS\WP\M047-Uintah\S0470113-GoldenDragon\final\apvl-5489-07012013.doc